ORGANIZATION	ROLE	MAILING ADDRESS	WEB SITE	PHONE
BC Gaming Policy Secretariat	Policy Advisor	PO Box 9311 Stn. Prov. Govt. Victoria, BC V8W 9N1		
BC Gaming Commission	Licensing, charitable access program	Flr. 1, 844 Courtney Street PO Box 9310, Stn Prov. Govt. Victoria, BC V8W 9N1	www.ie.gov.bc.ca/bcgaming	(250) 387-5311
BC Lottery Corporation	Conducts lotteries, bingo paper, community casinos	74 West Seymour Street Kamloops, BC V2C 1E2	www.bclc.com	(250) 828-5500
Gaming Audit and Investigation Office (BC)	Audits, security clearances and reviews compliance	Ministry of Attorney General 10-4234 Glanford Avenue, Victoria, BC V8Y 1X4		(250) 952-5218
Alberta Gaming & Liquor Commission	Lotteries and VLTs, licensing, registration, regulation.	50 Corriveau Avenue St. Albert, AB T8N 3T5	www.aglc.gov.ab.ca	(780) 447-8600
Sask. Liquor and Gaming Authority	Registration, licensing, regulating gambling	P.O. Box 5054 2500 Victoria Avenue Regina, SK S4P 3Y2	www.gov.sk.ca/govt/lga	(306) 787-4213
Sask. Gaming Corporation	Conduct of Casino Regina	Flr. 3, 1880 Saskatchewan Dr. Regina, SK S4P 0B2	www.casinoregina.com	(306) 787-1590
Sask. Indian Gaming Authority	Conduct of 4 First Nations Casinos	Ste. 250–103 C Packham Ave. Saskatoon, SK S7N 4K4		(306) 477-7777
Manitoba Lotteries Corporation	Conduct lotteries, VLTs, casinos, bingo paper source	830 Empress Street Winnipeg, MB R3C 3N3	www.mlc.mb.ca	(204) 957-2500
Manitoba Gaming Control Commission	Licensing, audits, investigations, regulating	800 – 215 Garry Street Winnipeg, MB R3C 3P3		(204) 954-9400
Ontario Gaming Secretariat	Policy Advisor	Flr. 9, Ferguson Blk., 77 Wellesley Street West Toronto, ON M7A 1N3		(416) 325-7470
Alcohol and Gaming Control Commission (ON)		20 Dundas Street West Toronto, ON M5G 6V2		(416) 326-8700
Ontario Lottery Corporation	Conduct lotteries, charity casinos	70 Foster Drive, Suite 800 Sault Ste. Marie, ON P6A 6V2		(705) 946-6464
Ontario Casino Corporation	Conducts commercial casinos	P.O. Box 506 Toronto, ON M5J 2S1	www.ontariocasino.ca	(416) 326-0076
Loto-Quebec	Conducts lotteries, VLTs, casinos, linked bingo	500, rue Sherbrooke ouest, bureau 2000 Montreal H3A 3G6	www.loto-quebec.com	(514) 282-8000
Regie des alcools, des courses et des jeux	Licensing and regulation	1, rue Notre-Dame Est Montréal, PQ H2Y 1B6	www.secpub.gouv.qc.ca/francais/anismes/regie/	(514) 873-3577
PEI Lotteries Commission	Oversees VLTs, ALC	P.O. Box 577 Charlottetown, PE C1A 7L1		(902) 892-3501
PEI Department of Community Affairs	Licensing	95 Rochford Street 4 Shaw N. P.O. Box 2000 Charlottetown, PE C1A 7N8		(902) 368-4577
Nova Scotia Alcohol and Gaming Authority	Licensing, regulation and registration	P.O. Box 545 40 Alderney Drive, 5th Floor Dartmouth, NS B2Y 3Y8	www.gov.ns.ca/aga/	(902) 424-6160
Nova Scotia Gaming Corporation	Oversees casino, VLT and lottery gaming	P.O. Box 1501 Halifax, NS B3J 2Y3		(902) 424-2203
New Brunswick Dept. of Finance	Overseas ALC, licenses charitable gaming	P.O. Box 6000 (Third Floor, Centennial Building) Fredericton, NB E3B 5N1	www.gov.nb.ca/finance/annrep/index.htm	(506) 453-2286
NF Dept. of Government Services and Lands	Licensing, registration, regulation	Flr. 2, Confederation Bldg., W. Blk., P.O. Box 8700 St. John's, NF A1B 4J6		(709) 729-2725
Newfoundland Dept. of Finance	Oversees VLTs, ALC	P.O. Box 8700 St. John's, NF A1B 4J6		(709) 729-6297
Atlantic Lottery Corporation	Conducts lotteries, VLTs	P.O. Box 5500, 922 Main St. Moncton, NB E1C 8W6	www.alc.ca	(506) 867-5800

101-00777/

CANADA'S GAMBLING REGULATORY PATCHWORK: A HANDBOOK

Gambling in Canada has undergone a significant expansion in the past ten years. At the end of the 1980s sophisticated lottery tickets, charitable and exhibition association gambling and horse racing were the only options available for Canadians. Now, a decade later, these gambling options have been joined by video lottery terminals (VLTs), slot machines, linked bingo, full scale destination-style casinos and more.

The expansion under way in the past ten years has provided fuel for a new public policy debate in Canada. An unprecedented level of public scrutiny has accompanied gambling expansion, with many Canadians demanding both a voice in gambling expansion and greater consideration of its social costs.

The purpose of this handbook is to map out the policy directions of each province and place them in context with their counterparts. The handbook includes:

- an overview of the framework in which Canadian gambling policy exists;
- discussion of the characteristics of recent gambling policy;
- sector profiles of electronic gambling, casinos and bingos;
- discussion about the horse racing industry;
- an introduction to First Nations gambling;
- provincial summaries of recent provincial gambling policy and emerging issues; and
- an index of resources to learn more information about gambling policy in Canada.

This handbook was prepared by CWF Research Assistants Valerie Jepson and Sika Patton with the assistance of CWF Director of Gambling Studies, Jason J. Azmier. *The opinions expressed within this document are those of the authors only, and not necessarily those of the Foundation's donors, members, or Council. Permission is hereby granted by the CWF to reproduce this document for non-profit and educational purposes. This handbook is available for download from the CWF web site at www.cwf.ca*

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A BRIEF HISTORY OF CANADIAN GAMBLING EXPANSION, 1892 - 1999

In 1892, the Canadian Criminal Code declared a complete ban on all gambling activities. Since that time, this ban has been successively eroded. Three distinct eras of gambling expansion can be identified: 1892-1969; 1970-1985; 1985-present.

Charitable Gambling and Pari-Mutuel Betting (1892-1969)

From 1892-1969 a few types of gambling were permitted and became common. These included: charitable gambling, like bingos and raffles, since 1900; pari-mutuel betting on horse-racing since 1910; and gambling events at agricultural fairs and exhibitions since 1925. In 1954, a joint committee of the Senate and House of Commons held public hearings on the issue of lotteries, and bolstered the perception that there was widespread support for this type of gambling. Several private member's bills seeking to legalize lotteries were unsuccessfully introduced to the House of Commons throughout the 1960s. The province of Quebec and city of Montreal, facing the financial burdens of the 1967 World's Fair and the 1976 Olympics, were particularly forceful in lobbying for the introduction of provincial lotteries.

Provincial Lotteries and Federal Retreat (1969-1985)

In 1969, a second era of expansion began when the Criminal Code was amended to allow for wide-scale entrance into the gambling field by provincial and federal governments, charitable organizations and exhibitions associations (the latter two requiring a provincial license). Provincial governments responded by establishing province-run ticket lotteries and sweepstakes, a move that significantly altered the gambling landscape. For the first time, provincial governments were receiving large annual revenues from gambling. In addition, the provinces lobbied to ensure a provincial monopoly on gambling control by sealing an agreement with the federal government. With the exception of regulating pari-mutuel wagering and the Criminal Code restrictions, the federal government reduced its involvement in gaming regulation and completely removed itself from introducing or conducting any lottery schemes. After years of operating lotteries, the provincial governments recognized in its consumers the need for diversity and novelty in gambling options.

Electronic Gambling and Provincial Control (1985-1999)

The third era of gambling expansion was sparked by another major amendment to the Criminal Code. In 1985, the provincial governments were permitted to "conduct and manage" computer/video gaming devices such as VLTs and slot machines. This arrangement also served to solidify the provincial autonomy over gambling–charitable groups, exhibition associations and First Nations' interests must operate under provincial authority. Since 1985, provincially-regulated slot machines, VLTs, satellite bingo and various casino gambling devices have emerged as gambling options for Canadians. It is the proliferation of electronic gambling devices that characterizes this current era of gambling expansion.

THE CURRENT GAMBLING ENVIRONMENT: POLICY TRENDS

The 1985 amendment to the Criminal Code transferred significant gambling regulatory powers to the provinces. Within the bounds of the Criminal Code, each province is now at liberty to:

- draft legislation that outlines which of the permitted lottery schemes are legal within provincial borders;
- determine the rules for these games; and,
- determine who will be eligible for licenses to conduct charitable and exhibition association gambling activities.

It is this legal scenario that prompts the patchwork terminology. While provinces do follow trends and learn from each other, creating some uniformity in policy, each province has developed unique gambling programs.

Despite the high degree of variation between the provinces, some gambling policy trends across the provinces have emerged.

Increased Government Involvement

The Criminal Code requires that provincial governments be involved in all gambling options, be it through licensing or "conduct and management." Licensing power can be delegated to bodies such as municipalities and First Nations, and the government can contract with private operators to perform

day-to-day operations of casinos or bingos, but at all times the provinces are required to be in control of gambling policy within their borders.

According to the Criminal Code, only provincial governments can conduct and manage electronic forms of gambling (e.g. VLTs, slot machines, satellite bingo). While some of the provinces originally allowed private ownership of VLTs, only PEI continues to operate under this model. For example, a charity may apply for a license to conduct and manage casino table games, but cannot acquire a license to conduct and manage the casino's slot machines. To circumvent this somewhat confusing arrangement, many provinces have opted to open government-managed casinos, which house both provincial slot machines and provincial table games.

The creation of government casinos and introduction of VLTs necessitated an expanded role for existing crown corporations, which included the British Columbia Lottery Corporation, Saskatchewan Lottery and Gaming Authority, Ontario Lottery Corporation, Loto Quebec, and the Manitoba Lottery Corporation. Some provinces (Saskatchewan, Ontario, and Nova Scotia) have responded by creating new Crown Corporations.

Overall, the Criminal Code provisions make it impossible for there to be gambling in Canada without the direct involvement of provincial governments, either through licensing, regulating or directly operating.

Separation of Conduct and Regulation of Gambling

Many provincial governments have formally separated the agencies that conduct gambling from those that license and regulate it. The reasons for the separation of conduct and regulations are twofold. First, the rapid expansion of gambling creates the need for larger and more specialized agencies, whose functions may be better achieved if divided. Second, dividing the operator and regulatory functions helps the provinces avoid potential conflicts of interest. Public concerns have been raised regarding the integrity of regulation undertaken by an agency that also conducts gambling.

The separation of conduct and regulation has taken two forms in the provinces, with many provinces adopting both measures. Separate regulatory agencies have taken on a strong role in the provinces of British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and

New Brunswick. In British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland and Nova Scotia, governments have split responsibility for operation and regulation of gambling at the cabinet level. Only two provinces, Alberta and Prince Edward Island, do not formally separate their operational and regulatory duties.

Accountability

In recent years, active public debate has developed about governments' involvement in gambling; concerns are particularly devoted to the large revenues associated with gambling and the potential social costs of gambling expansion. The public is not satisfied to leave gambling policy to the inner workings of government, and many individuals and organizations have demanded greater accountability. In response, governments have attempted to create policies and processes that are more transparent and responsive to the concerns of their citizens.

Some trends in accountability are:

a) Transparent Policy Processes

Starting in the early 1990s, many provincial governments began to conduct gambling policy reviews, with gambling reviews a customary part of policy making in some provinces. The purpose of these reviews is to show the justification and roots of gambling policies, and publicly demonstrate that governments are considering the implications of gambling before developing policies. Since 1993, all provinces except for Saskatchewan, Newfoundland and PEI have conducted publicly available, comprehensive reviews of provincial gambling policies.

b) Public Involvement

In recent years, policy makers in many provinces have become more open to public input in gambling policy decisions. In doing so, governments acknowledge that gambling is an issue of public concern, and an area where governments must be guided by the will of their citizens. Developments include:

- Alberta, BC, and Ontario have involved the public, as well as stakeholders, in recent gambling policy summits and reviews.
- The Nova Scotia Alcohol and Gaming Authority seeks annual public input on the impacts of gambling and includes this

information in its annual report.

- Six provinces have consulted the public on gambling policy through plebiscites. Ontario requires approval through a municipal plebiscite vote before proceeding with gambling expansion.
- Ontario (1996) and British Columbia (1994) announced comprehensive gambling programs that were subsequently altered due to public pressure.

This openness to public input, made largely in response to popular demand, presents risks to provincial governments; public involvement increases the profile of gambling issues and thus makes such issues more prone to controversy.

c) Accountable Revenues

As gambling has grown into a multi-million dollar industry, there has been increased attention paid to the use of gambling revenue. While many provinces direct gambling revenues to a General Revenue Fund (GRF), some have set up special systems to make the distribution of these funds more visible. This often means a regionalized system of distribution. Some provinces have opted to direct a fixed amount of gambling revenues to visible, charitable causes in an attempt to make the final impact of revenues more transparent. In Manitoba, a fixed percentage of VLT revenues are sent to municipalities, which then distribute the funds. In a similar fashion, Alberta established the Community Lottery Board Program in response to pressure to redistribute large gambling revenues.

Volatility

Gambling policy in the 1990s is characterized by uncertainty. The complex and novel nature of gambling, particularly the introduction of new technologies, means the impacts of new gambling policies are not predictable. Policies then have to be reformulated and reworked until they achieve a satisfactory result. In addition, a growing number of interests are paying ever-greater attention to gambling policy. As a result, gambling policies must evolve to satisfy a growing range of stakeholders.

Volatility is present in most provincial gambling policies. Video Lottery Terminals are introduced, then capped, removed or reduced. Gaming authorities are changed, consolidated and separated. Gaming Acts are

introduced and then amended to permit and regulate new types of gambling such as government casinos, VLTs, slot machines and satellite bingo. Both BC and Ontario introduced widespread gambling expansion plans that were subsequently altered due to public feedback. This volatility reflects the difficult challenge governments have creating gambling policies that satisfy the needs of all interested parties, including an engaged public.

Private Operators

Gambling expansion has resulted in significant profits for private casino and bingo operators across the country, and for private VLT operators in New Brunswick and PEI. While the Criminal Code does not authorize private operators to conduct and manage gambling activities, contractual arrangements with governments and charities have allowed private operators to enter into a lucrative industry. The manner in which these arrangements are made varies from province to province.

- In Ontario and Nova Scotia major casino operation companies have been contracted to operate government commercial casinos.
- Private casinos operators who previously contracted with charities in B.C. are now contracting with the BC Lottery Corporation to provide casino operation services.
- Charities in Alberta contract with casino operation companies.
- B.C., Alberta, Saskatchewan, Manitoba, Ontario, Quebec, and Nova Scotia bingo regulations allow for the involvement of commercial operators, who benefit economically in varying degrees.
- There are two commercial bingo halls in Nova Scotia. While the current bingo regulations do not permit these licenses, any commercial licenses issued prior to 1982, when the change was made, are allowed to continue.
- New Brunswick and PEI both contracted with private VLT owners to provide and maintain the machines. This model significantly reduced provincial revenues and New Brunswick has taken steps to transfer ownership of VLTs to the province.

Interconnectedness

Introducing new and more widespread gambling options has impacted the industry itself. Games of chance compete with each other, and one may erode the popularity of another. For example, introduction of a casino in a city is known to decrease that city's overall bingo revenues. Given the various interests (charities, private industry, governments) that are dependent upon the gambling revenues, it is clear that amending gambling policies presents particular dilemmas for governments. To increase attendance and overall gambling revenues, governments can introduce new games and improve marketing. But, this consideration must be balanced with the needs and interests of the established gambling operations, such as bingos.. In response to these pressures, some provinces have introduced satellite bingo and "mega" raffles to augment charitable revenues and use grant programs to revitalize horse racing.

Summary

In every province, gambling has become a hot policy issue. As the above discussion demonstrates, recent gambling expansion has included increased citizen involvement, an increased role for government, the introduction of new stakeholders, and an emerging recognition of the impacts of gambling. While there are trends discernible in the policies of the past decade, what is equally compelling is the unique framework that emerges from each province when their policies are viewed in more detail.

CANADA'S GAMBLING POLICY PATCHWORK

The following analyses outline the policy patchwork that has emerged from ten unique gambling regimes. This diversity is understandable considering that each province has had the authority to develop its own gambling policies. Autonomy over gambling policy has allowed each province to pick and choose from each other or develop innovative policies. This variation has also had the effect of creating a complex framework.

In order to enter the public policy debate effectively, it is helpful to understand how the regimes differ. While the policy trends provide a useful overview, they are but a first step to entering the debate. To delve in further it is necessary to know more about each sector and each province. The following analyses provide such an overview.

I. ELECTRONIC GAMBLING

In 1985, the Criminal Code was changed to allow electronic gambling machines. Since then, every province has introduced VLTs and/or slot machines. Many provinces report that the impetus for the introduction of government-sanctioned machines was the large number of illegal gambling machines appearing in the late 1980s, although the actual number of illegal machines is unknown. Some provinces also cite the need to compete with other jurisdictions that had already legalized electronic gambling. The proliferation of these machines have made policies on VLTs and slot machines the most debated gambling issues in recent years.

POLICY TRENDS:

Video Lottery Terminals: Available in all provinces but Ontario and BC. All limit the machines to age-restricted or liquor-licensed establishments. Five provinces - PEI, Nova Scotia, Saskatchewan, Manitoba, Alberta - have placed a cap on VLT expansion.

Slot Machines: Available in every province but Newfoundland, PEI and New Brunswick. In provincial gambling policy, slot machines are distinct from VLTs. For instance, those provinces with a VLT cap have not placed a similar cap on slot machines. Also, while BC and Ontario decided not to introduce VLTs, they did introduce slot machines. Slot machines are usually found in casinos and also at race tracks.

Public Involvement: Citizen participation in gambling policy has been popular in many provinces. Alberta, Manitoba, and PEI have held municipal plebiscites on whether communities want their VLTs removed. Ontario and BC held votes on proposed gambling expansion, including the introduction of VLTs.

MILESTONES:

Slot Machines: In 1989, Manitoba was the first to introduce slot machines.

VLTs: In 1990, New Brunswick became the first to introduce VLTs.

VLT Cap: Manitoba, Saskatchewan, and Alberta were the first to announce moratoriums on VLT expansion in 1995.

Plebiscites: BC held a plebiscite on introduction of VLTs in 1995. Alberta and PEI were leaders in the area of plebiscites for removal of VLTs; both holding votes in 1997.

UNIQUE POLICIES:

Visible VLTs: When New Brunswick, Nova Scotia and PEI launched their VLT programs, they introduced them to accessible locations like corner stores and bowling alleys. In 1993, Nova Scotia moved all VLTs, except those on First Nations land, to age-restricted, liquor-licensed venues. PEI followed suit in 1998 and New Brunswick will finish moving the machines by the end of 1999.

Private Ownership: New Brunswick and PEI opted against government ownership of VLTs and instead contracted with private VLT owners. In these provinces, machine owners, as well as siteholders receive a commission. New Brunswick is presently negotiating with machine owners to transfer ownership to government.

VLTs as Revenue Support: The prairie provinces state that their main impetus for introducing VLTs was as a revenue support to hospitality and/or horse racing industries.

2. CASINOS

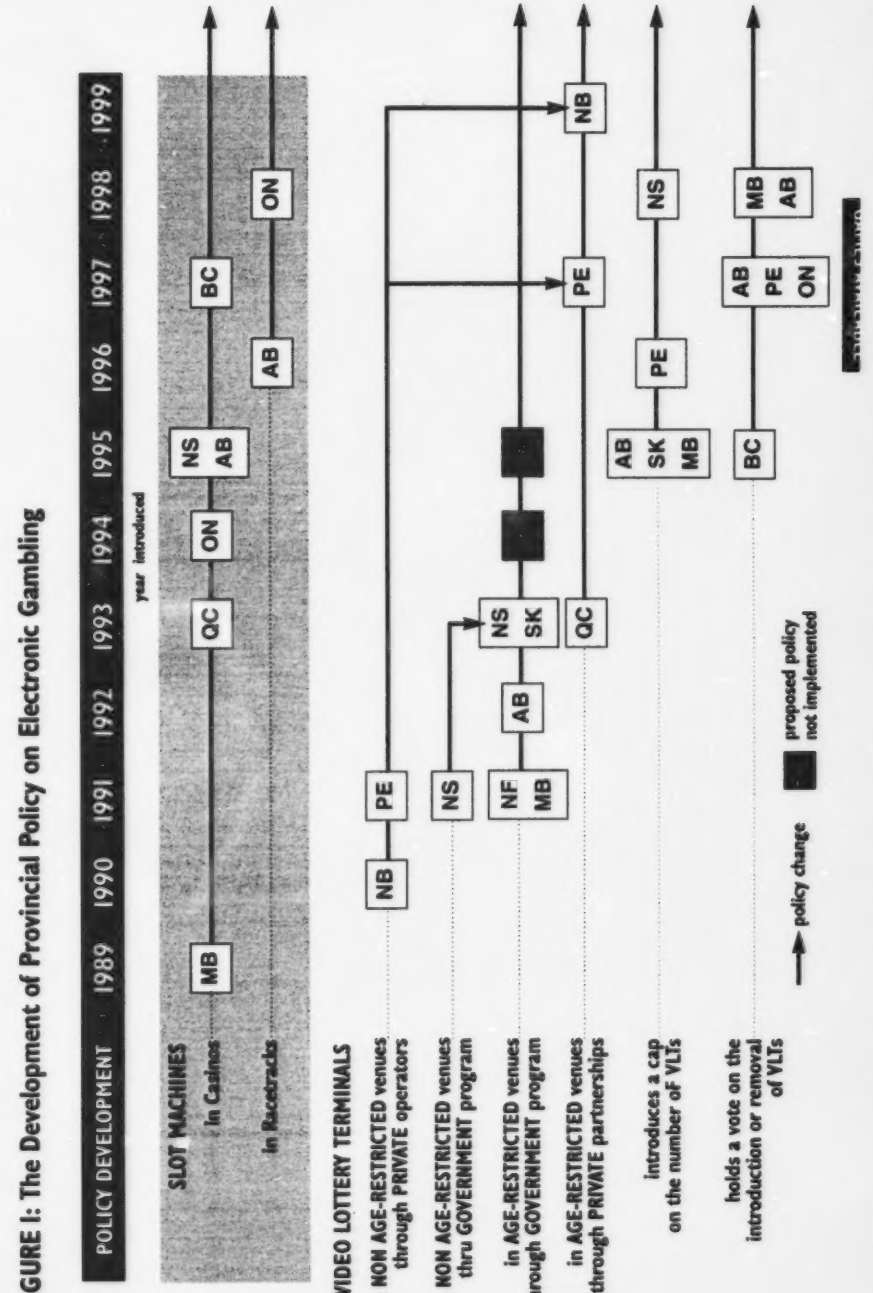
Casinos in the 1990s are laden with a number of new features: permanence, increased size, enhanced commercial appearance and the involvement of government. Prior to 1989 casinos in Canada were "conducted and managed" solely by charitable organizations and exhibition associations through a license issued by the provincial government. Today in Canada there are 39 casinos which operate under the control of a provincial crown corporation. Today, Canadians can visit a permanent casino in every province except New Brunswick, Prince Edward Island and Newfoundland.

POLICY TRENDS:

Introduction of Government Casinos: Provincial governments developed casinos to compete for dollars lost to gambling in other jurisdictions, to stimulate local economies and to generate revenue for the provincial purse.

Private Operators: Private casino operators have carved out a niche in the current era of gambling expansion. Government casinos in Nova Scotia, Ontario and B.C. contract with private operator companies to provide day-to-day services. In Alberta, charitable casino day-to-day operations are also handled by private casino providers.

FIGURE I: The Development of Provincial Policy on Electronic Gambling


POLICY DEVELOPMENT
1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999
year introduced
SLOT MACHINES
in Casinos
MB QC ON NS AB BC AB ON
in Racetracks
VIDEO LOTTERY TERMINALS
in NON AGE-RESTRICTED venues through PRIVATE operators
NB PE
in NON AGE-RESTRICTED venues thru GOVERNMENT program
NS
in AGE-RESTRICTED venues through GOVERNMENT program
NF MB AB NS SK
in AGE-RESTRICTED venues through PRIVATE partnerships
QC NB PE
introduces a cap on the number of VLTs
AB SK MB NS PE
holds a vote on the introduction or removal of VLTs
BC AB PE ON MB AB
policy change
proposed policy not implemented

Reduced Charitable Casino Sector: Most provinces with any government-run casinos have removed or reduced charitable involvement in casino table games. Ontario, B.C., Quebec, Manitoba, Saskatchewan and Nova Scotia license little or no charitable/ exhibition association casinos. In some of these provinces grant programs have been introduced to maintain charitable and exhibition association revenues.

MILESTONES:

First Government-Operated: Manitoba's 1989 introduction of the full-scale Crystal Casino.

First Government Managed, Private Operators: Ontario's casino model emerged in 1994 when the Interim Casino Windsor opened. Casino Windsor, and Ontario's two other commercial casinos are conducted and managed by the Ontario Casino Corporation, but operated by private casino operations companies.

UNIQUE POLICIES:

Charitable Casinos: Alberta stands out because of its policy to involve charitable organizations and to limit government involvement in casino gambling. While there are 17 permanent casinos in Alberta all of them are conducted and managed by licensed charity groups or exhibition associations. All of the charity licensed casinos are run on a day to day basis by private casino operators.

First Nations Casinos: Saskatchewan is distinguishable because it established the Saskatchewan Indian Gaming Authority to conduct and manage 4 First Nations-run casinos.

Government Operation: The governments of Saskatchewan, Manitoba and Quebec are distinct because they have developed Crown Corporations to operate their casinos directly, without the assistance of a private operator.

3. BINGOS

As charities are being pushed out of casino gambling during the current era of expansion, bingo remains the most sophisticated form of charitable gambling. However, bingo is no longer the virtually assured source of revenue it once was. Charitable bingos encountered their first real

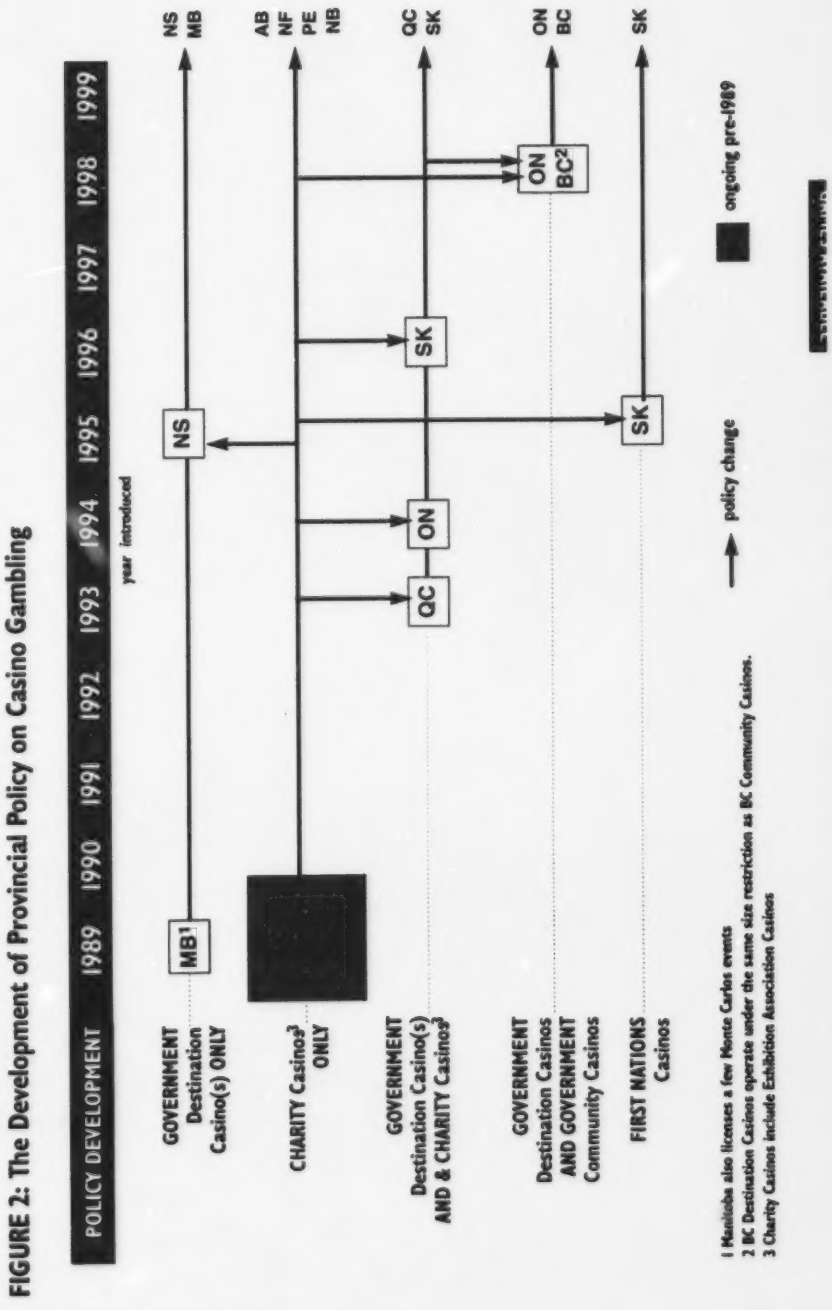


FIGURE 2: The Development of Provincial Policy on Casino Gambling

competition with the introduction of provincial lotteries. Since then, bingo operators have had to compete with even more gambling options as well as competition from within the bingo industry as the number of non-profit groups vying for gambling dollars grows.

POLICY TRENDS:

Increasing Revenues: There have been a variety of attempts across the provinces to bolster revenues, including: creating bingo associations to share costs and profits, assuring a minimum return to charities, limiting the number of bingo events, and increasing maximum prize payouts to bring in more customers. All provinces have tried one or more of these tactics.

Linked Bingo: The most recent and radical effort to increase revenue is linked bingo, which is available in Alberta, BC, Ontario, and Quebec. Newfoundland and Saskatchewan are attempting to implement linked bingo by the end of 1999. Linked bingo involves games that are linked by satellite or computer to provide larger prizes.

MILESTONES:

Linked Bingo: Alberta was the first to offer linked bingo in 1996.

UNIQUE POLICIES:

Criminal Code Amendment: Because linked bingo is electronic gambling it must be conducted and managed by the provincial government. In order to avoid the problems associated with amalgamating government agencies with charity bingo halls, BC has plans to lobby the federal government for a Criminal Code amendment that would eliminate the need for government involvement.

4. OTHER GAMBLING ISSUES

Horse Racing

Horse racing is one of the oldest legal gambling activities in Canada (on track betting was legalized in 1910); but across the country, the industry has been faltering. Many blame the falling attendance and wagering on the proliferation first of widespread lotteries, and then of casinos and electronic games. All the provinces, however, have taken measures to arrest the decline of the horse racing industry. As justification they cite economic and cultural benefits as well as the maintenance of a good breeding stock of horses that can be used in other industries.

The first major efforts to increase wagering began in 1982, with intertrack wagering, which permits transmission from a live race at the host track to a satellite track. In the same year, progressive jackpot pools were launched. In the 1990s, the provinces increased their efforts. Manitoba was the first to try to stabilize race track purses by introducing VLTs to the track in 1991. Quebec followed suit with a similar VLT program, as did Alberta and Ontario with slot machines. Many provinces introduced grant programs, using revenue from other types of gambling, to help cover the costs of the racing season. Teletheatre and simulcast betting are also popular methods of trying to increase wagering by allowing participants to bet on races without having to travel to the tracks. Some provinces have enlisted the help of special agencies, such as the Atlantic Lottery Corporation Harness Racing Corporation and the Horse Racing Alliance of BC, to use marketing to revitalize the industry.

First Nations Gambling

Manitoba was the first province to enter into full-scale agreements with First Nations to hand over licensing authority and grant on-Reserve VLT placement. Nova Scotia followed suit in 1995 by reaching a similar agreement with its First Nations. Also in 1995, Saskatchewan entering into major agreements with the Federation of Saskatchewan Indian Nations (FSIN) to involve First Nations in licensing and casino management as well as profit-sharing arrangements for Casino Regina revenues. This has resulted in the establishment of the Saskatchewan Indian Gaming Authority and Saskatchewan Indian Gaming Licensing. Manitoba has also recently reached an agreement with its First Nations to open community casinos.

In Ontario, a profit-sharing agreement was developed for Ontario's on-reserve Casino Rama. In British Columbia, First Nations partnered with private casino operators to propose new casinos approved in principle as a part of B.C.'s recent gambling expansion.

Recent events suggest that First Nations are mounting pressure to ascertain an enhanced role in the gambling field. Currently, under the Criminal Code, First nations' only opportunity to benefit for enter into gambling is through agreement with provincial governments. There are plans, resulting from the FSIN-Saskatchewan Agreement to lobby the federal government to change the Criminal Code to allow First Nations a more stable jurisdiction in the gambling sector

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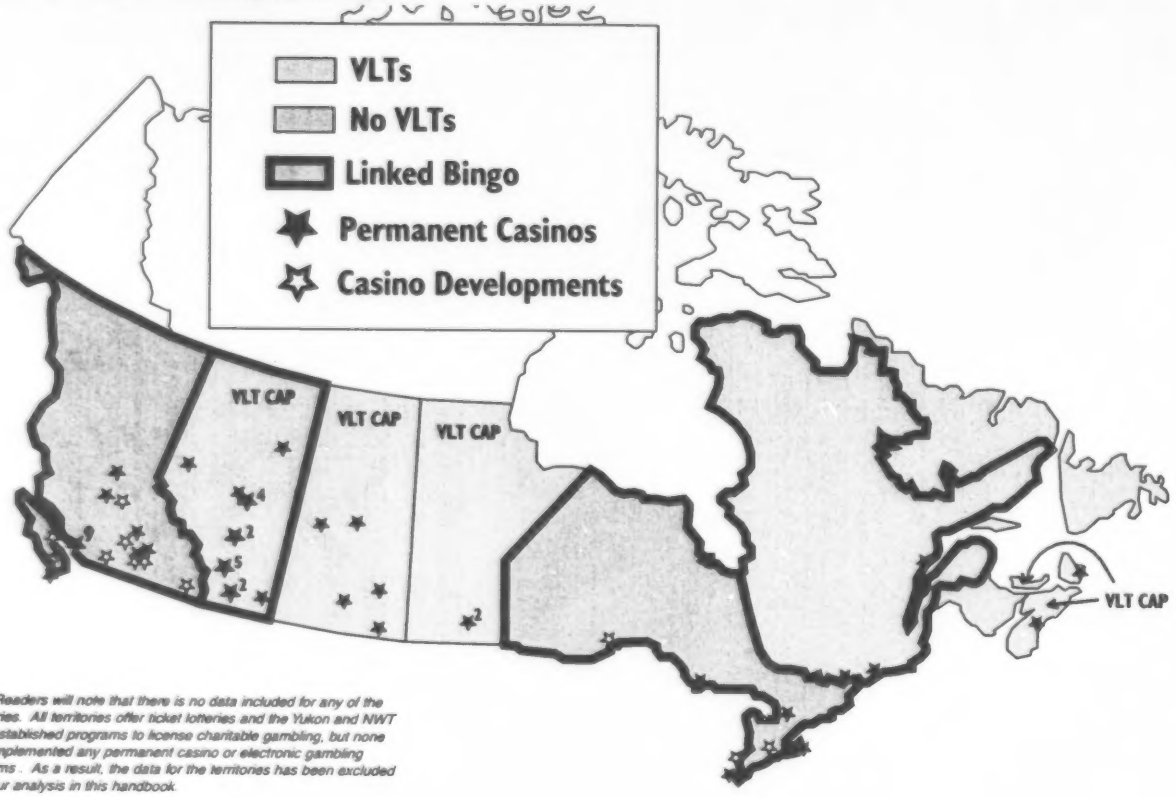
FIGURE 3: Canada's Gambling Landscape



Note: Readers will note that there is no data included for any of the Territories. All territories offer ticket lotteries and the Yukon and NWT have established programs to license charitable gambling, but none have implemented any permanent casino or electronic gambling programs . As a result, the data for the territories has been excluded from our analysis in this handbook.

CANADA'S PERMANENT CASINOS (50 PERMANENT AND 10 UNDER DEVELOPMENT)

BRITISH COLUMBIA

Burnaby
Kamloops
Kelowna
Nanaimo
New Westminster (2)
Prince George
Quesnel
Richmond
Surrey
Vancouver (5)
Vernon
Victoria

In Development:
Campbell River
Cranbrook
Hope
Merrit
Penticton (2)
Wells

ALBERTA

Calgary (5)
Edmonton (4)
Ft. McMurray
Grande Prairie
Lethbridge (2)
Medicine Hat (1)
Red Deer (2)
St. Albert

SASKATCHEWAN

Carlyle
North Battleford
Prince Albert
Regina
Yorkton

MANITOBA

Winnipeg (2)

ONTARIO

Niagara Falls
Orrillia (Rama)
Sault Ste. Marie
Windsor

In Development:
Thunder Bay
Point Edward
Brantford

QUEBEC

Montreal
Hull
Pointe au Pic (Charlevoix)

NOVA SCOTIA

Halifax
Sydney

NEW BRUNSWICK

No Permanent Casinos

PRINCE EDWARD ISLAND

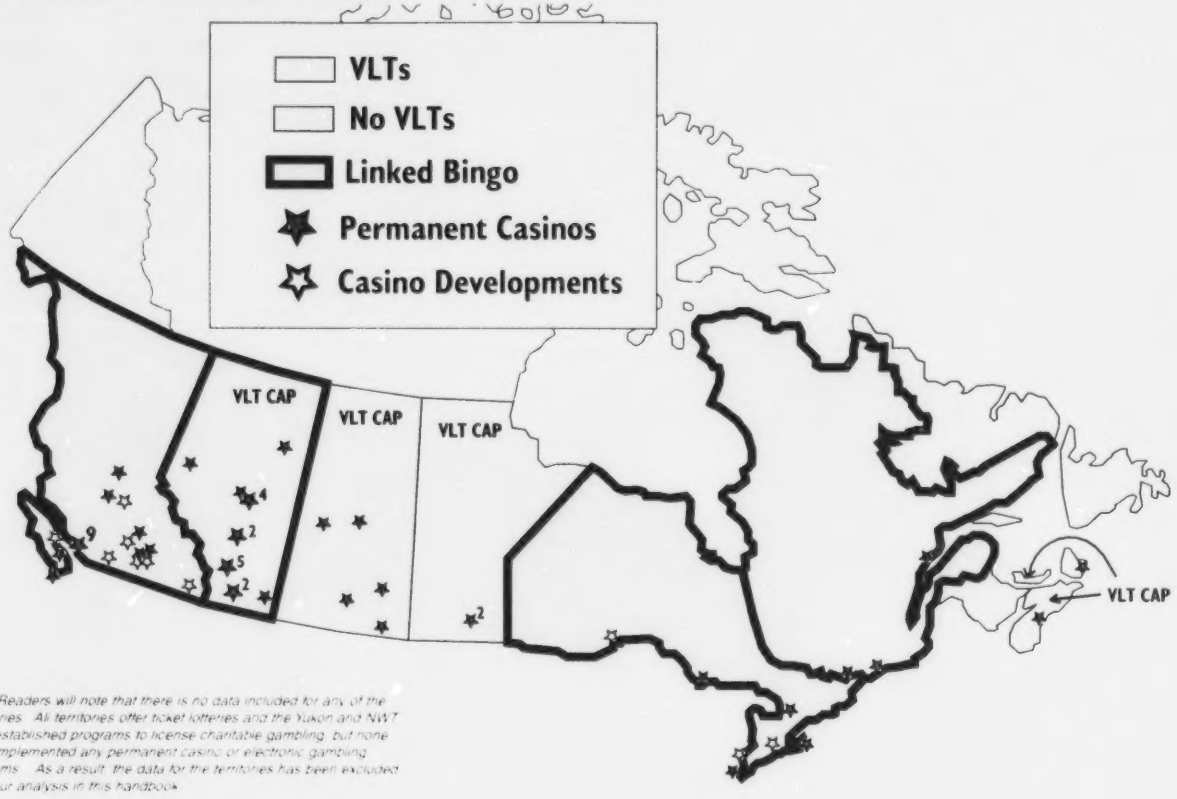
No Permanent Casinos

NEWFOUNDLAND

No Permanent Casinos

Provinces with VLTs:	Provinces with SLOT MACHINES:	Provinces with LINKED BINGO:	Provinces with CAPS on the number of VLTs:	Provinces with DICE GAMES:
8 - All except Ontario and British Columbia	7 - All except NF, NB and PEI	4 - BC, AB, ON, and QC (NF and SK will have within a year)	5 - AB, MB, SK, NS, and PEI	5 - AB, MB, SK, ON, and NS (QC and BC considering adding dice)

FIGURE 3: Canada's Gambling Landscape



Note: Readers will note that there is no data included for any of the Territories. All territories offer ticket lotteries and the Yukon and NWT have established programs to license charitable gambling, but none have implemented any permanent casino or electronic gambling programs. As a result, the data for the territories has been excluded from our analysis in this handbook.

CANADA'S PERMANENT CASINOS (50 PERMANENT AND 10 UNDER DEVELOPMENT)

BRITISH COLUMBIA

Burnaby
Kamloops
Kelowna
Nanaimo
New Westminster (2)
Prince George
Quesnel
Richmond
Surrey
Vancouver (5)
Vernon
Victoria

In Development:
Campbell River
Cranbrook
Hope
Merrit
Penticton (2)
Wells

ALBERTA

Calgary (5)
Edmonton (4)
Ft. McMurray
Grande Prairie
Lethbridge (2)
Medicine Hat (1)
Red Deer (2)
St. Albert

SASKATCHEWAN

Carlyle
North Battleford
Prince ALbert
Regina
Yorkton

MANITOBA

Winnipeg (2)

ONTARIO

Niagara Falls
Orrillia (Rama)
Sault Ste. Marie
Windsor

In Development:
Thunder Bay
Point Edward
Brantford

QUEBEC

Montreal
Hull
Pointe au Pic (Charlevoix)

NOVA SCOTIA

Halifax
Sydney

NEW BRUNSWICK

No Permanent Casinos

PRINCE EDWARD ISLAND

No Permanent Casinos

NEWFOUNDLAND

No Permanent Casinos

Provinces with VLTs:	Provinces with SLOT MACHINES:	Provinces with LINKED BINGO:	Provinces with CAPS on the number of VLTs:	Provinces with DICE GAMES:
8 - All except Ontario and British Columbia	7 - All except NF, NB and PEI	4 - BC, AB, ON, and QC (NF and SK will have within a year)	5 - AB, MB, SK, NS, and PEI	5 - AB, MB, SK, ON, and NS (QC and BC considering adding dice)

BRITISH COLUMBIA GAMBLING POLICY TIMELINE

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1994
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- Charitable gambling develops a heightened profile as the government deals with the unfolding "Bingogate" controversy, where a non-profit bingo license was used to generate revenues for provincial NDP.
- Horse racing industry introduces teletheatres to compensate for low attendance numbers.

1995
- In response to public objection, VLT portion of the expansion cancelled. Municipalities representing over 55% of B.C.'s population indicate their dissent to the policy via local plebiscites.
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- Profit-sharing model for charitable gambling altered so that all funds are pooled and redistributed by facilities to charities.
- Province finances the establishment of the BC Association of Charitable Gaming, an influential lobby group.
- Lotteries Advisory Committee formed to provide government with policy direction.
- For the second time government enhances charitable casinos to allow them to remain competitive with US market.
- Slot machine litigation in Surrey and Vancouver. Both municipalities' bylaws prohibiting slots are upheld.

1998
- *"Nanaimo"* decision of the B.C. Supreme Court requires to government re-draw charitable gambling profit-sharing arrangement. Government announces an interim gambling policy whereby all charity casinos are converted to "community casinos," which are conducted and managed by the BCLC. As well, the direct access fund is created to provide charities with funding. The charitable guarantee is set at $125 million, which includes charitable gambling profits (i.e. bingo).
- Expansion RFP process ends. 8 destination casinos and one charity bingo hall are approved in principle.

1999
- *White Paper* released containing proposed all-encompassing gaming legislation. Following its release a second consultation process began. Two agreements (with BCACG and municipalities) were signed and announced July 17 detailing a closer relationship between municipalities and government policy on gambling, as well as entrenchment of the charity guarantee.
- Bingo Review and Horse Racing Review completed by the GPS.

TABLE I: BRITISH COLUMBIA'S REGULATORY ENVIRONMENT

TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY	REGULATED BY	FIRST YEAR	NUMBER
Destination Casinos	*Private Operator*	*BCLC*	*GAIO*	*1999*	*7 in progress 1 running*
Community Casinos	*Private Operator*	*BCLC*	*GAIO*	*1998*	*16*
Slot Machines (in casinos)	*BCLC*	*BCLC*	*GAIO approves suppliers*	*1997*	*1,875 (540 more planned)*
Club Keno	*BCLC*	*BCLC*	*BCLC*	*1996*	*800 machines*
Lottery Tickets	*BCLC*	*BCLC*	*BCLC*	*1975*	*8 games*
Bingo	*BA or Private Operator*	*Licensed Charities*	*Licenced by BCGC*	*1970*	*41 halls*
Electronic Bingo	*BCLC*	*BCLC*	*BCGC*	*1997*	*1 satellite 8 electronic*
Pull Tickets & Raffles	*Charities*	*Licensed Charities*	*Licenced by BCGC*	*1970*	*Hundreds*
Horse Racing	*Private or Non-Profit*	*N/A*	*BCRC/CPMA*	*1960*	*7 tracks 25 teletheatres*

GAIO - *Gaming Audit and Investigation Office* **BCGC** - *Gaming Commission* **BCRC** - *Racing Commission*
BA - *Bingo Association* **CPMA** - *Canadian Pari-Mutuel Agency* **BCLC** - *Lottery Corporation*

EMERGING ISSUES IN BRITISH COLUMBIA

New Legislation:

The purpose of the II *White Paper* was to propose new comprehensive gaming legislation. Recommendations of the II *White Paper* suggest that a clearer separation between government and charitable gambling is desirable. The BC Lottery Corporation is poised to take on an even more enhanced role in the gaming environment. Passage of the new *Gaming Control Act* may prove challenging because media reports throughout Summer 1999 have indicated a reluctance of some MLAs to involve the government in gaming at all.

First Nations

Although First Nations groups have not participated in the consultation process, there are indications that First Nation Bands wish to take on a larger role in the gambling industry.

Criminal Code:

The government is committed to requesting a change to the Criminal Code which will both simplify the language and change jurisdiction to allow charities to conduct and manage electronic bingo.

ALBERTA GAMBLING POLICY TIMELINE

1989 *Alberta Lottery Fund* established to process government gambling revenues as recommended by 1985 public review of lotteries policy.

1990 Teletheatre betting launched to increase failing wagering on horse racing.

1991 Changes to charitable pull-ticket and raffle rules to increase sales, including increasing maximum prizes and sales.

1992 After a trial program in 1991, the Government approves a permanent VLT program to be implemented over 3 years.

1994
- Super Bingo with a maximum prize of $100,000 is introduced to increase declining charitable revenue because of failing attendance at traditional bingo.
- After receiving funding, Alberta Alcohol and Drug Abuse Commission(AADAC) begins addressing problem gambling.

1995
- Lotteries Review Committee reports after conducting widespread consultation with Albertans.
- Casino Gaming Terminals (including slot machines) are first allowed.
- The total number of VLTs in Alberta is capped at 6,000 as suggested by the Lotteries Review Committee.

1996
- Attempts are made to revitalize the ailing horse racing industry. These include setting up the private, non-profit ARC, allowing CGTs in race tracks, and introducing electronic horse racing and "race entertainment centres".
- *Alberta Gaming and Liquor Act* is passed. In the Act, responsibility for operating and regulating gambling is consolidated within the Alberta Gaming and Liquor Commission.
- Satellite (linked) Bingo is introduced as an attempt to increase declining charitable gambling revenue.
- Native Gaming Committee recommends maintaining charitable gaming model for First Nations gambling.

1997 Five plebiscites are held in Alberta communities on whether to keep VLTs. Plebiscites were recommend by the Lotteries Review Committee but are the culmination of public pressure in the communities that held them. The AGLC withdraws the machines from two of the three communities that voted in favour of removal.

1998 Another Lotteries Review Committee recommendation is enacted when Community Lottery Boards begin to distribute VLT revenues through local decision-making processes. The Alberta Lotteries and Gaming Summit, also a Committee suggestion, is held in April. Government agrees in principle to implement all eight recommendations outlined by participants and submitters. Plebiscites held in 36 communities. VLTs: six vote to remove them.

1999
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- A Ministry exclusively responsible for gaming established.
- An independent gambling research institute is announced.

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TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY	REGULATED BY	FIRST YEAR	NUMBER (1998)
VLTs	*AGLC*	*AGLC*	*AGLC*	*1992*	*5900*
Slot Machines (CGTs)	*AGLC*	*AGLC*	*AGLC*	*1994*	*1,680*
Casinos	*Private Operators*	*Licensed Charities*	*AGLC*	*1980 (commercial)*	*16*
Bingo	*Bingo Association*	*Licensed Charities*	*AGLC*	*1973 (licensing)*	*3,534 licenses*
Linked Bingo	*Bingo Association*	*Licensed Charities*	*AGLC*	*1996*	
Raffles	*Licensed Charities*	*Licensed Charities*	*AGLC*	*1980 (licensing)*	*373 licenses*
Break Open (Pull) Tickets	*Sold at Charity's Facilities*	*Licensed Charities*	*AGLC*	*1971*	*672 licenses*
Lotteries	*AGLC*	*WCLC*	*AGLC*	*1974*	*10 major types*
Horse Racing	*Private Exhibition Association*	*N/A*	*ARC & CPMA*	*1940s*	*7 tracks, 10 off-track, 35 teletheatres*

AGLC - *Alberta Gaming and Liquor Commission* **WCLC** - *Western Canada Lottery Corporation*
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VLTs continue to be an issue as bar owners challenge the constitutionality of the *Gaming and Liquor Amendment Act*. An injunction was granted in May 1999 to again prevent the government from removing VLTs until the court challenge is heard. Litigants believe this issue involves mobility rights.

Charitable Gambling

The Bingo Review Committee recently undertook extensive consultations with charitable gambling stakeholders across the province. The focus of the review included: whether charitable organizations have fair and equitable access to bingo events and whether the AGLC's existing eligibility criteria used to determine eligibility for bingo gambling licenses are satisfactory.

Committee findings include recommendations for: (1) a Provincial Bingo Manager to oversee licensed bingo activity; (2) granting of bingo licenses based on proven delivery of charitable services; and (3) the introduction of electronic bingo into bingo halls if benefits can be shown.

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SASKATCHEWAN GAMBLING POLICY TIMELINE

1993
- VLTs introduced as a response to hospitality industry request for increased revenues and to contend with gambling competition from other provinces and American states. Gaming Commission contracts with WCLC install and maintain VLTs.
- SLGA formed (amalgamation of Gaming Commission and Liquor Board).
- Announcement that Saskatchewan Horse Racing Commission will be amalgamated with SLGA (occurs in 1994).
- New bingo process ensures that the conduct and management of bingos fall only to charity associations.

1994
- Introduction of VLTs in Saskatchewan has an impact on established charitable gambling activities. To assist charities' depleting revenues SLGA eliminates 4% charity gambling licensing fee.
- Northern Exemption Program for VLTs introduced to allow Northern communities to apply to SLGA to remove VLTs.
- Province and the Federation of Saskatchewan Indian Nations enter into agreement which sets out First Nation involvement in gambling. First Nations will share profits from the newly-formed Saskatchewan Gaming Corporation (which was to operate major casinos in Regina and Saskatoon); will benefit from the First Nations Trust Fund; and will establish Saskatchewan Indian Gaming Licensing. This agreement was precipitated by the high profile closure of the illegal casino on the White Bear Reserve in 1993.

1995
- Second agreement with FSIN provides for FSIN to establish 4 First Nations community-style casinos through SIGA.
- In response to a negative referendum results Saskatoon, government decides not to proceed with Saskatoon casino.
- VLTs capped at 3,600 (10% below projected figures). Province intends to distribute 10% of VLT profits to municipalities. Program is canceled because municipal groups could not agree on distribution scheme.
- Province develops two new horse racing grant programs to boost the industry.

1996
- Permanent full-scale Casino Regina opens.
- Associated Entities Fund (made up of casino revenues) established to benefit charities, Métis groups and Exhibition Associations. Province agrees to supplement Exhibition Association revenues to maintain historic revenues at risk because of new casinos.
- VLTs introduced into racetracks for limited time to provide additional revenue.
- Horse Racing Advisory Board appointed to develop a long-term strategy for horse racing in Saskatchewan.

1997 Historic Regina Exhibition Association casino, the Silver Sage, closes down in the face of Casino Regina competition.

1999 Western Canada Lottery Corporation is scheduled to introduce linked bingo in late 1999.

TABLE 3: SASKATCHEWAN'S REGULATORY ENVIRONMENT

TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY:	REGULATED BY:	FIRST YEAR	NUMBER (1998)
	SGC	*SGC*	*SLGA*	*1996*	*1*
	SIGA	*SIGA*	*SLGA/SIGL*	*1995*	*4*
	Exhibition Association	*Exhibition Association*	*SLGA*	*1960's*	*2*
	SLGA	*SLGA (WCLC operates)*	*SLGA*	*1993*	*3,600 machines*
	*SGC/SLGA***	*Licensed Charities*	*SLGA*	*1996*	*1,240 machines*
	Licensed Charities	*Licensed Charities*	*AGLC*	*Early 1980's*	*2,918 licenses*
	Charity Association	*Licensed Charity Association*	*SLGA*	*1980's & 1999 (Link)*	*34 halls 7,599 licenses*
	Province of Saskatchewan	*WCLC*	*SLGA*	*1974*	*11 games*
	Exhibition Association	*N/A*	*SLGA & CPMA*	*1800s*	*2 tracks 11 teletheatres*

EMERGING ISSUES IN SASKATCHEWAN

First Nations Gambling:

SIGA has indicated publicly that it wishes to seek more control over casino gambling in Saskatchewan, such as ownership of Casino Regina. In 1998 the provincial government announced that it would not transfer ownership of Casino Regina to First Nations. The FSIN agreement is up for re-negotiation in 2000.

As per their 1995 agreement, SIGA and the provincial government are required to work together to lobby the federal government to change the Criminal Code to create a jurisdiction for First Nations gambling. To date, no formal proposals have been tabled with the federal government.

A First Nations group is operating and profiting from an Internet gambling facility located in Panama that does not take on-line bets from Canadians and operates outside the restrictions of current Criminal Code.

Horse Racing:

The horse racing industry in Saskatchewan is seeking government assistance to revitalize the industry.

MANITOBA GAMBLING POLICY TIMELINE

1989
- Manitoba Lotteries Foundation (MLF) reports first decline in revenue.
- Canada's first year-round casino, the Crystal casino, which is government owned and operated, opens to create revenue and jobs, stimulate tourism, and keep gambling dollars in the province.

1990 The first native gaming commission in Canada, which has the authority to license First Nations gambling, is established.

1991 VLTs are distributed to age-controlled rural hotels and lounges, as well as Assiniboia Downs track in order to create revenue for these ailing industries.

1992 The First Nations Gaming Department, established by the MLF, is the first of its kind in Canada.

1993
- Government-owned and operated Club Regent and McPhillips Street Station, offering slots, high-stakes bingo and other games, replace the two older government bingo halls.
- VLTs are introduced to Winnipeg to benefit the hospitality industry.
- The Addictions Foundation of Manitoba begins offering a Problem Gambling Program.
- Manitoba Lotteries Foundation becomes the Manitoba Lottery Corporation, a Crown Corporation.
- Assiniboia Downs race track change from private ownership to a non-profit corporation to save the near bankrupt track with a new tax status and access to more VLTs.

1995 The Government announces a halt on the expansion of VLT and casino sites pending a report by the Lotteries Policy Review Committee. In December, after public hearings and economic analysis, the Committee releases its report.

1996 The Government introduces an implementation plan in response to recommendations by the Committee and the Chair, including a plan to reduce the number of VLTs by 10% and *The Gaming Control and Consequential Amendments Act.*

1997
- Following the lead of several provinces and a recommendation of the Lotteries Review, the Government establishes the MGCC to separate regulation and licensing from the business side of gambling.
- An independent review by Price Waterhouse suggests consolidation of Crystal Casino with Club Regent and McPhillips Street Station to make the facilities more economically viable.
- First Nations Gaming Policy Review released recommending up to 5 on-reserve destination casinos.

1998 MGCC releases the *Municipal VLT Plebiscite Review.* As recommended, the Government announces it will honour municipal plebiscites on whether residents want VLTs in their community, with the condition that those choosing to remove VLTs forfeit the 10% VLT revenue grant. Winkler is only community to hold a plebiscite and votes for removal.

TABLE 4: MANITOBA'S REGULATORY ENVIRONMENT

TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY	REGULATED BY	FIRST YEAR	NUMBER (1998)
Casinos	*MLC*	*MLC*	*MGCC*	*1991*	*4,749*
Casinos	*MLC*	*MLC*	*MGCC*	*1989*	*1 (closed in 1999)*
Casinos	*MLC*	*MLC (with charity volunteers)*	*MGCC*	*1984*	*2 casinos (table games in 1999)*
Bingo	*Licensed Charities*	*Charities licensed by MGCC or FNGC*	*MGCC*	*1971*	*589 licenses*
Raffles	*Licensed Charities*	*Charities licensed by MGCC or FNGC*	*MGCC*	*1971*	*161 raffle/515 break. licenses*
Pull Tabs	*Licensed Charities*	*Charities licensed by MGCC or FNGC*	*MGCC*	*1971*	*42 licenses*
VLTs	*MLC*	*MLC (WCLC is agent)*	*MGCC*	*1970*	*9 major types*
Horse Racing	*Non-profit Associations*	*N/A*	*MRC & CPMA*	*1959*	*1 permanent*

Timeline Continued

1999
- Manitoba passes *The Gaming Control VLT Local Option Act* to give MGCC and MLC the authority to cancel VLT agreements by local plebiscite.
- Crystal Casino is closed in July and Club Regent and McPhillips Street Station introduce table games.

EMERGING ISSUES IN MANITOBA

First Nations Gambling:

There are presently 34 First Nations Gaming Commissions representing 62 First Nations, which license and regulate on-reserve charity-style gambling. First Nations can also receive gambling licenses from the MGCC. In June, 1999 the moratorium on VLTs on First Nations Lands was lifted. There are still no on-reserve casinos, but this issue has not yet been resolved. In August 1999, RCMP raided an unlicensed casino on First Nations land and confiscated slot machines.

Video Lottery Terminals:

In response to ongoing concerns by the public and stakeholders, Manitoba will review the VLT program within the next year. The scope of this review has not been announced

SASKATCHEWAN GAMBLING POLICY TIMELINE

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- Introduction of VLTs in Saskatchewan has an impact on established charitable gambling activities. To assist charities depleting revenues SLGA eliminates 4% charity gambling licensing fee.
- Northern Exemption Program for VLTs introduced to allow Northern communities to apply to SLGA to remove VLTs.
- Province and the Federation of Saskatchewan Indian Nations enter into agreement which sets out First Nation involvement in gambling. First Nations will share profits from the newly-formed Saskatchewan Gaming Corporation (which was to operate major casinos in Regina and Saskatoon), will benefit from the First Nations Trust Fund, and will establish Saskatchewan Indian Gaming Licensing. This agreement was precipitated by the high profile closure of the illegal casino on the White Bear Reserve in 1993.

1995
- Second agreement with FSIN provides for FSIN to establish 4 First Nations community-style casinos through SIGA.
- In response to a negative referendum results Saskatoon government decides not to proceed with Saskatoon casino.
- VLTs capped at 3,600 (10% below projected figures). Province intends to distribute 10% of VLT profits to municipalities. Program is canceled because municipal groups could not agree on distribution scheme.
- Province develops two new horse racing grant programs to boost the industry.

1996
- Permanent full-scale Casino Regina opens.
- Associated Entities Fund (made up of casino revenues) established to benefit charities, Metis groups and Exhibition Associations. Province agrees to supplement Exhibition Association revenues to maintain historic revenues at risk because of new casinos.
- VLTs introduced into racetracks for limited time to provide additional revenue.
- Horse Racing Advisory Board appointed to develop a long-term strategy for horse racing in Saskatchewan.

1997 Historic Regina Exhibition Association casino, the Silver Sage, closes down in the face of Casino Regina competition.

1999 Western Canada Lottery Corporation is scheduled to introduce linked bingo in late 1999.

TABLE 3: SASKATCHEWAN'S REGULATORY ENVIRONMENT

TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY	REGULATED BY	FIRST YEAR	NUMBER (1998)
Destination Casino	*SGC*	*SGC*	*SLGA*	*1996*	*1*
First Nations Casino	*SIGA*	*SIGA*	*SLGA SIGL*	*1995*	*4*
Exhibition Assoc Casino	*Exhibition Association*	*Exhibition Association*	*SLGA*	*1960's*	*2*
VLTs	*SLGA*	*SLGA (WCLC operates)*	*SLGA*	*1993*	*3,600 machines*
Slot Machines	*SGC SLGA***	*Licensed Charities*	*SLGA*	*1996*	*1,240 machines*
Raffles/ Breakopens	*Licensed Charities*	*Licensed Charities*	*AGLC*	*Early 1980's*	*2,918 licenses*
Bingo & Linked Bingo	*Charity Association*	*Licensed Charity Association*	*SLGA*	*1980's & 1999 (link)*	*34 halls 1,599 licenses*
Lotteries	*Province of Saskatchewan*	*WCLC*	*SLGA*	*1974*	*11 games*
Horse Racing	*Exhibition Association*	*N/A*	*SLGA & CPMA*	*1800s*	*2 tracks 11 teletheatres*

SGC *-Sask. Gaming Corporation* **SIGA** *- Sask. Indian Gaming Authority* **SIGL***- Sask. Indian Gaming Licensing*
WCLC *- Western Canada Lottery Corporation* **SLGA** *- Saskatchewan Liquor and Gaming Authority*
CPMA *- Canadian Pari-Mutuel Agency* *** SLGA owns the SIGA slot machines*

EMERGING ISSUES IN SASKATCHEWAN

First Nations Gambling:

SIGA has indicated publicly that it wishes to seek more control over casino gambling in Saskatchewan, such as ownership of Casino Regina. In 1998 the provincial government announced that it would not transfer ownership of Casino Regina to First Nations. The FSIN agreement is up for re-negotiation in 2000.

As per their 1995 agreement, SIGA and the provincial government are required to work together to lobby the federal government to change the Criminal Code to create a jurisdiction for First Nations gambling. To date, no formal proposals have been tabled with the federal government.

A First Nations group is operating and profiting from an Internet gambling facility located in Panama that does not take on line bets from Canadians and operates outside the restrictions of current Criminal Code.

Horse Racing:

The horse racing industry in Saskatchewan is seeking government assistance to revitalize the industry.

MANITOBA GAMBLING POLICY TIMELINE

1989
- Manitoba Lotteries Foundation (MLF) reports first decline in revenue.
- Canada's first year-round casino, the Crystal casino, which is government owned and operated, opens to create revenue and jobs, stimulate tourism, and keep gambling dollars in the province.

1990 The first native gaming commission in Canada, which has the authority to license First Nations gambling, is established.

1991 VLTs are distributed to age-controlled rural hotels and lounges, as well as Assiniboia Downs track in order to create revenue for these ailing industries.

1992 The First Nations Gaming Department, established by the MLF, is the first of its kind in Canada.

1993
- Government-owned and operated Club Regent and McPhillips Street Station, offering slots, high-stakes bingo and other games, replace the two older government bingo halls.
- VLTs are introduced to Winnipeg to benefit the hospitality industry.
- The Addictions Foundation of Manitoba begins offering a Problem Gambling Program.
- Manitoba Lotteries Foundation becomes the Manitoba Lottery Corporation, a Crown Corporation.
- Assiniboia Downs race track change from private ownership to a non-profit corporation to save the near bankrupt track with a new tax status and access to more VLTs.

1995 The Government announces a halt on the expansion of VLT and casino sites, pending a report by the Lotteries Policy Review Committee. In December, after public hearings and economic analysis, the Committee releases its report.

1996 The Government introduces an implementation plan in response to recommendations by the Committee and the Chair, including a plan to reduce the number of VLTs by 10% and *The Gaming Control and Consequential Amendments Act*.

1997
- Following the lead of several provinces and a recommendation of the Lotteries Review, the Government establishes the MGCC to separate regulation and licensing from the business side of gambling.
- An independent review by Price Waterhouse suggests consolidation of Crystal Casino with Club Regent and McPhillips Street Station to make the facilities more economically viable.
- First Nations Gaming Policy Review released recommending up to 5 on-reserve destination casinos.

1998 MGCC releases the *Manitoba VLT Plebiscite Review*. As recommended, the Government announces it will honour municipal plebiscites on whether residents want VLTs in their community, with the condition that those choosing to remove VLTs forfeit the 10% VLT revenue grant. Winkler is only community to hold a plebiscite and votes for removal.

TABLE 4: MANITOBA'S REGULATORY ENVIRONMENT

TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY	REGULATED BY	FIRST YEAR	NUMBER (1998)
VLTs	*MLC*	*MLC*	*MGCC*	*1991*	*4,749*
Destination Casino	*MLC*	*MLC*	*MGCC*	*1989*	*1 (closed in 1999)*
Casinos w/ Bingo & Tickets	*MLC*	*MLC (with charity volunteers)*	*MGCC*	*1984*	*2 casinos (table games in 1999)*
Charity Bingo	*Licensed Charities*	*Charities licensed by MGCC or FNGC*	*MGCC*	*1971*	*589 licenses*
Raffles/ Breakopens	*Licensed Charities*	*Charities licensed by MGCC or FNGC*	*MGCC*	*1971*	*161 raffle 515 break. licenses*
Monte Carlo Casino Wheel of F.	*Licensed Charities*	*Charities licensed by MGCC or FNGC*	*MGCC*	*1971*	*42 licenses*
Lotteries	*MLC*	*MLC (WCLC is agent)*	*MGCC*	*1970*	*9 major types*
Horse Racing	*Non-profit Associations*	*N/A*	*MRC & CPMA*	*1959*	*1 permanent*

MLC- *Manitoba Lottery Corporation* **WCLC** - *Western Canada Lottery Corporation* **MGCC** -*Manitoba Gaming Control Commission* **FNGC** - *First Nations Gaming Commission* **CPMA** - *Canadian Pari-Mutuel Agency*

Timeline Continued

1999
- Manitoba passes *The Gaming Control (VLT Local Option) Act* to give MGCC and MLC the authority to cancel VLT agreements by local plebiscite.
- Crystal Casino is closed in July and Club Regent and McPhillips Street Station introduce table games.

EMERGING ISSUES IN MANITOBA

First Nations Gambling:

There are presently 11 First Nations Gaming Commissions representing 62 First Nations which license and regulate on-reserve charity-style gambling. First Nations can also receive gambling licenses from the MGCC. In June, 1999 the moratorium on VLTs on First Nations Lands was lifted. There are still no on-reserve casinos, but this issue has not yet been resolved. In August 1999, RCMP raided an unlicensed casino on First Nations land and confiscated slot machines.

Video Lottery Terminals:

In response to ongoing concerns by the public and stakeholders, Manitoba will review the VLT program within the next year. The scope of this review has not been announced.

ONTARIO GAMBLING POLICY TIMELINE

1994
- Ministry of Economic Development, Trade and Tourism oversees all government-run gambling such as lottery tickets operated by OLC and casinos operated by OCC. Ministry of Consumer and Commercial Relations regulates gambling suppliers and employees through an independent agency, the Gaming Control Commission (now AGCO), and licensing of charitable gambling in partnership with municipalities.
- Ontario Casino Corporation is formed and opens Ontario's first commercial casino, the Interim Casino Windsor. Windsor was chosen as the first site because of its need for an economic revival. OCC casinos are the centre piece of the Ontario gambling ensemble and continue to generate higher than expected profits and economic spin-offs. Niagara (1996), Windsor and Rama (1996, near Orillia) are host to commercial casinos. The Casino Rama is a formal arrangement the province has negotiated with all Ontario First Nations in the gambling field. All Ontario First Nations will receive funds from Casino Rama profits.
- A significant number of Ontario commercial casinos patrons are American tourists and therefore these casinos promote and lobby to maintain favourable Canadian gambling rules to remain competitive in the face of American gambling.

1995
- Plans are announced to replace 3-day roving Monte Carlos, a program vulnerable to security concerns, with a plan for permanent charity casinos with VLTs. VLTs are also to be introduced at racetracks and in the hospitality sector for a total of 20,000 VLTs. Charities are guaranteed 10% and problem gambling is guaranteed 2% of gross VLT revenues.
- Gaming Control Commission and Liquor Licensing Board merge to form AGCO.
- OLC partners with Provincial Bingo Charitable Activities Association to provide Superstar Bingo (linked bingo).

1997
- Ontario Municipal plebiscites show that many municipalities are not in favour of gambling expansion.
- Charitable Allocation Working Group releases its report, "A Compass and a Dream," recommending that revenues from VLTs be distributed to charities through the Ontario Trillium Foundation by local funding bodies.

1998
- All government-run gambling (i.e., OLC and OCC operations) is consolidated at the cabinet level under the Minister Responsible for Management Board.
- VLT program and the charity casino initiative cancelled in response to public reaction. Management Board now requires municipal endorsement (via plebiscite) for any charity or commercial casinos and introduces four pilot charity casinos in communities with positive referenda results. Although these casinos are termed "charity," they are in fact operated by government through the OLC. Host communities receive 5% of the gross slot machine revenues.
- $100 Million from charity casinos guaranteed for charities through Ontario Trillium Foundation beginning in 1999-00.
- In place of VLTs, slots are now available in new charity casinos and in regulated areas of race tracks. Profits from race track slot machines are used to supplement race track purses.
- The permanent Casino Windsor, a $500 Million facility with hotel is opened.

1999 First charity casino opens in Sault Ste. Marie. Thunder Bay, Point Edward and Brantford will soon be host to charity casinos.

TABLE 5: ONTARIO'S REGULATORY ENVIRONMENT

TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY	REGULATED BY	FIRST YEAR	NUMBER (current)
Slot Machines	OCC/OLC	OCC/OLC	AGCO	1994	10,417
Destination Casino	OCC (operated privately)	OCC	AGCO	1994	3
Community Casino	OLC	OLC	AGCO	1999	4 developments
Bingo	Charities Licensed by Municipality	Charities Licensed by Municipality	AGCO	1970	157 halls
Linked Bingo	OLC	OLC	OLC	1996	1 game
Tickets/ Raffles	Charities Licensed by Municipality	Charities Licensed by Municipality	AGCO	1970	unknown**
Lotteries	OLC	OLC	OLC	1975	12 games
Horse Racing	Non-profit Associations	N/A	ORC & CPMA	1880s	18 tracks

OCC- *Ontario Casino Corporation* **OLC** - *Ontario Lottery Corporation* **AGCO** -*Alcohol and Gaming Commission of Ontario* **CPMA** - *Canadian Pari-Mutuel Agency*
*** as municipalities issue 90% of ticket and raffle licenses, there is no provincial total available*

EMERGING ISSUES IN ONTARIO

Charitable Gambling Expansion:

The 1998 charity casino announcement identified the next opportunity for consideration of additional charity casinos as the year 2000 municipal elections. Any new consideration of casinos must first come with the endorsement of the municipality, expressed via a plebiscite, and a viable business case. It remains to be seen what this expansion in gambling will bring in terms of interest group reaction.

Electronic gambling:

Electronic forms of gambling continue to meet strong public opposition. Announcement of the slot machine policy in place of VLTs drew media criticism, the question asked: "what's the difference between VLTs and the slot machine?"

Competition:

The success enjoyed by the OCC's flagship operation, Casino Windsor, was confronted with anticipated competition in July 1999 when the first of three Detroit casinos were opened to compete directly for gambling dollars. A similar threat is anticipated for the casino in Niagara Falls casino from Buffalo casino developments.

QUEBEC GAMBLING POLICY TIMELINE

1990 In the same year as several other provinces, Quebec launches present sports lottery program.

1991 In *Laniel Inc. v. R.*, machines that were being licensed by the Regie since 1979 as amusement machines are declared to be gaming machines. The Regie announces a brief moratorium on licensing the machines then lifts it pending an appeal to the Supreme Court.

1992
- After the Supreme Court upholds the Laniel decision, the regulations are amended disallowing the machines.
- A subsidiary of Loto-Quebec, the Societe des casinos du Quebec inc., is formed to conduct and manage casinos.

1993
- The destination-style Casino de Montreal is opened with slot machines and becomes the second government-operated casino in Canada. It is intended to promote tourism, create jobs, increase revenue to the government, and repatriate gambling dollars.
- Three agencies are amalgamated to become the Regie des alcools, des courses et des jeux with authority to license and regulate alcohol, horse racing and gambling.
- A government VLT program is introduced in response to a proliferation of "grey machines". A subsidiary of Loto-Quebec, the Societe des Loteries Video du Quebec inc., is set up to oversee it. Quebec establishes a public-private partnership that is unique in Canada, with the Societe as the owner of the machines and private companies doing the maintenance and marketing.
- Legislative review of gambling.

1994 The destination-style Charlevoix casino opens for the same reasons as Montreal's casino. VLT program begins.

1995 Regie reports on its bingo review. Legislative review of gambling.

1996 Quebec opens its third government-operated destination-style casino in Hull.

1997 Bingo rules rewritten. Loto-Quebec establishes the Societe des Bingos du Quebec to monitor media and computer-linked bingo. The latter, which is introduced in December of 1997, is intended to breathe new life into the bingo industry and deliver stabilizing funds to non-profits.

1998 Loto-Quebec sets up subsidiary INGENIO to expand into development, marketing and, eventually, export of a new generation of interactive multimedia games of chance.

TABLE 6: QUEBEC'S REGULATORY ENVIRONMENT

TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY	REGULATED BY	FIRST YEAR	NUMBER (1998)
VLTs	*SLVQ (private operator)*	*SLVQ*	*Regie*	*1993*	*15,314*
Destination Casinos	*SCQ*	*SCQ*	*Regie*	*1993*	*3 casinos*
Charity/Exhibition Casinos	*Licensed Charities & Exhib. Assoc.*	*Licensed Charities & Exhib. Assoc.*	*Regie*	*1970*	*1 charity 26 Exhib. Licenses*
Linked Bingo	*SBQ*	*Charities (SBQ operates)*	*Regie*	*1997*	*179 networked halls*
Bingo	*Commercial Halls*	*Charities (private operators)*	*Regie*	*1970*	*2,237 licenses*
Raffles/Wheel of Fortune	*Charities, Exhib. & Agriculture Assoc.*	*Charities, Exhib. & Agriculture Assoc.*	*Regie*	*1970*	*2,518 raffles 16 WoF licenses*
Lotteries	*Loto-Quebec*	*Loto-Quebec*	*Regie*	*1970*	*13 types of games*
Horse Racing	*Government or Private*	*N.A.*	*Regie CPMA*	*Not known*	*4 permanent*

SLVQ - *Societe des loteries video du Quebec inc.* **Regie** - *Regie des alcools, des courses et des jeux*
SCQ - *Societe des casinos du Quebec inc.* **SBQ** - *Societe des bingos du Quebec*
CPMA - *Canadian Pari-Mutuel Agency*

EMERGING ISSUES IN QUEBEC

Youth Gambling:

As Quebec is the only province in Canada without explicit legislation prohibiting underage gambling, it has drawn recent criticism. Reports suggest that a Member of the National Assembly appears to be ready to push for the adoption of a law to prohibit minors from participating in gambling.

Similar concern was expressed when the Loto-Quebec subsidiary INGENIO began testing an interactive lottery game specifically designed to attract younger players to lotteries by using modern technologies and interfaces.

Internet Gambling:

Because of its potential impact on existing gambling markets, Loto-Quebec considers the potential of Internet Gambling to be an important emerging issue and is at this point closely monitoring the developments in this emerging area.

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Internet Gambling:

Because of its potential impact on existing gambling markets, Loto-Quebec considers the potential of Internet Gambling to be an important emerging issue and is at this point closely monitoring the developments in this emerging area.

NEW BRUNSWICK GAMBLING POLICY TIMELINE

1990
- VLTs legalized in response to an estimated 5,000-7,000 grey video lottery machines. New Brunswick — the first province to introduce VLTs — adopts a unique model of private ownership. Private VLT owners, affiliated with the Coin Machine Operators Association, contract with ALC to provide VLTs. The contract with the Coin Machine Operators Association will last until 2002.
- Both the Machine Operators and the Siteholders receive 35% of profits each, with 30% for government.
- All government profits from VLTs are directed at the Environmental Trust Fund. Traditional lottery revenues are directed to the general revenue fund, with the exception of two instant games whose profits go to two Trust Funds: Sport and Arts.

1991
- Breakopen tickets are available for sale by charitable organizations.

1992
- Baseline Market Research conducts survey to develop a profile problem gambler.
- Because of burgeoning revenues the Environmental Trust Fund capped at $10 million and the Art and Sport Trust Funds capped at $400,000 each.

1993
- Province begins to reduce percentage of profits provided to siteowners and VLT owners. Government share equals 38%.

1995
- New Brunswick signs agreements with three (of an eventual five) First Nation Bands to introduce profit-sharing for VLTs located on reserve land and breakopen ticket sales.
- Provincial media alleges political influence encouraged the private VLT operator model and specifically accuses New Brunswick Finance Minister of patronage. These accusations are denied.

1996
- Second study on VLT/problem gambling shows no significant increase in the prevalence of problem gambling in New Brunswick.
- New Brunswick legislature passes a motion that the VLT program be reviewed.

1997
- VLT Review recommends tougher penalties for gaming infractions, reduced hours of play for VLTs, increased advertising of available problem gambling programs, and stricter age-restriction precautions and improved counseling services. Province follows through on all of these recommendations.
- VLT profit formula changed so that government is receiving 50% of the profits.

1998
- Province announces removal of machines from non-licensed establishments after consultation with NB Convenience Store Owners.
- Province begins negotiations with NB Coin Machine Owners Association to transfer ownership of machines to the ALC, an option under consideration since 1997.

1999
- Machines removed from non-licensed establishments. NB is last province in Canada to age restrict access to VLTs.
- Government receiving 54% of VLT profits.

TABLE 7: NEW BRUNSWICK'S REGULATORY ENVIRONMENT

TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY	REGULATED BY	FIRST YEAR	NUMBER
	ALC	*NBLC*	*NBLC*	*1990*	*2,279 in licensed 808 in non-licensed*
	Charities & Exhibition Associations	*Charities & Exhibition Associations*	*NBLC*	*1983 (Licensing)*	*395 licenses*
	Charities & Exhibition Associations	*Charities & Exhibition Associations*	*NBLC*	*1983 (Licensing)*	*31 licenses*
	Charities & Exhibition Associations	*Charities & Exhibition Associations*	*NBLC*	*1983 (Licensing)*	*498 licenses*
	ALC	*NBLC*	*NBLC*	*1976*	*8 games*
	Private Operator	*N/A*	*MHRC & CPMA*	*1870*	*2 tracks*

EMERGING ISSUES IN NEW BRUNSWICK

Future of the Atlantic Lottery Corporation:

The viability of the Atlantic Lottery Corporation without Nova Scotia (Nova Scotia announced its withdrawl in 1999) is of particular interest to New Brunswick because the Corporation's headquarters are located in Moncton. New Brunswick is also the largest remaining contributor and benefactor of the ALC.

VLT Policy Fallout:

The Coin Machine Owners Association and the province reached an agreement-in-principle in April 1998, but the negotiations are still ongoing. Any compensation or transitional terms may evolve into a public policy and legal debate.

Horse Racing:

As in the other Maritime Provinces, the stability of the harness racing industry is key. The success of ALC's marketing efforts on behalf of the Harness Racing Industry are of critical importance to the industry and a concern to the government of New Brunswick.

NOVA SCOTIA GAMBLING POLICY TIMELINE

1991 VLTs legalized in an attempt to replace the large number of illegal machines and divert the revenues to the province. The growing number of competing jurisdictions with legalized VLTs is another factor. Like PEI and New Brunswick, VLTs are placed in accessible locations like corner stores and bowling alleys.

1993 Two reports on gambling, *Morris* and *Kimball*, are released. In response to public criticism about accessibility, the Government decides to move VLTs (except those on First Nations lands) to age-restricted, licensed locations. Police lobby to prevent a ban on VLTs since they predict the machines will simply operate illegally.

1995
- The initial First Nations gaming agreement is signed giving First Nations authority to set up their own Gaming Commissions and license and regulate on-reserve gambling.
- Two destination casinos with slot machines (still in 1999 the only casinos in Atlantic region) introduced to promote economic development. Total provincial revenue guaranteed by operator to be $25 million in each of first four years. Profits from Sydney casino to be distributed to eligible First Nations and registered provincial charities.
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- The ALCHRC takes over the marketing of harness racing in an attempt to turn around falling attendance and betting. ALCHRC will also provide grants to aid the three ailing tracks. This effort to revitalize the industry was deemed necessary because of the good breeding stock and employment horse racing creates.

1999 The NSGC announces it will withdraw lottery and VLT programs from ALC because its dissatisfaction with the profit allocation formula could not be resolved. It is the first member to withdraw in the ALC's history.

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	NSGC	*NSGC (with ALC)*	*NSAGA*	*1991*	*3,168*
	MEG	*NSGC (MEG is operator)*	*NSAGA*	*1995*	*2 casinos 916 slots*
	Charity Halls	*Charitable Groups (2 commercial halls left)*	*NSAGA*	*1976 (licensing)*	*440 series lic. 200 single lic.*
	Licensee	*Licensed Charitable Groups*	*NSAGA*	*1976 (licensing)*	*398 ticket series 568 ticket singles 101 break-open 176 games of chance*
	NSGC	*NSGC (ALC still involved)*	*NSAGA*	*1976*	*13 types of games*
	Private	*N/A*	*NSPA, CPMA MHRC*	*1940s*	*3 tracks 5 teletheatres*

EMERGING ISSUES IN NOVA SCOTIA

Video Lottery Terminals:

Nova Scotia is encountering ongoing concerns with VLTs. In December 1998, the NSGC challenged suppliers and manufacturers to develop proposals making the VLT program more "socially responsible". Other plans include education and training programs for VLT retailers, and changes to the physical environment surrounding VLTs.

Atlantic Lottery Corporation:

NSGC anticipates complete withdrawal from ALC by March 31, 2000. While ALC operated lotteries and VLTs in Nova Scotia, the NSGC's duties were that of a supervisor. There are new roles and issues in undertaking day-to-day operations. The newly-elected government, however, has postponed the move until it has had a chance to consider the ramifications of the decision.

Dice Games:

Following the changes to the Criminal Code allowing dice games in Canada, NSGC and MEG began working on proposed amendments to the Casino Regulations to allow craps in Nova Scotia.

NEW BRUNSWICK GAMBLING POLICY TIMELINE

1990
- VLTs legalized in response to an estimated 5,000-7,000 grey video lottery machines. New Brunswick — the first province to introduce VLTs — adopts a unique model of private ownership. Private VLT owners, affiliated with the Coin Machine Operators Association, contract with ALC to provide VLTs. The contract with the Coin Machine Operators Association will last until 2002.
- Both the Machine Operators and the Siteholders receive 35% of profits each, with 30% for government.
- All government profits from VLTs are directed at the Environmental Trust Fund. Traditional lottery revenues are directed to the general revenue fund, with the exception of two instant games whose profits go to two Trust Funds: Sport and Arts.

1991
Breakopen tickets are available for sale by charitable organizations.

1992
- Baseline Market Research conducts survey to develop a profile problem gambler.
- Because of burgeoning revenues the Environmental Trust Fund capped at $10 million and the Art and Sport Trust Funds capped at $400,000 each.

1993
Province begins to reduce percentage of profits provided to siteowners and VLT owners. Government share equals 38%.

1995
- New Brunswick signs agreements with three (of an eventual five) First Nation Bands to introduce profit-sharing for VLTs located on reserve land and breakopen ticket sales.
- Provincial media alleges political influence encouraged the private VLT operator model and specifically accuses New Brunswick Finance Minister of patronage. These accusations are denied.

1996
- Second study on VLT problem gambling shows no significant increase in the prevalence of problem gambling in New Brunswick.
- New Brunswick legislature passes a motion that the VLT program be reviewed.

1997
- VLT Review recommends tougher penalties for gaming infractions, reduced hours of play for VLTs, increased advertising of available problem gambling programs, and stricter age-restriction precautions and improved counseling services. Province follows through on all of these recommendations.
- VLT profit formula changed so that government is receiving 50% of the profits.

1998
- Province announces removal of machines from non-licensed establishments after consultation with NB Convenience Store Owners.
- Province begins negotiations with NB Coin Machine Owners Association to transfer ownership of machines to the ALC, an option under consideration since 1997.

1999
- Machines removed from non-licensed establishments. NB is last province in Canada to age restrict access to VLTs.
- Government receiving 54% of VLT profits.

TABLE 7: NEW BRUNSWICK'S REGULATORY ENVIRONMENT

TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY	REGULATED BY	FIRST YEAR	NUMBER
VLTs	*ALC*	*NBLC*	*NBLC*	*1990*	*2,279 in licensed 308 in non-licensed*
Bingo	*Charities & Exhibition Associations*	*Charities & Exhibition Associations*	*NBLC*	*1983 (Licensing)*	*395 licenses*
Monte Carlos	*Charities & Exhibition Associations*	*Charities & Exhibition Associations*	*NBLC*	*1983 (Licensing)*	*31 licenses*
Raffles/ Breakopens	*Charities & Exhibition Associations*	*Charities & Exhibition Associations*	*NBLC*	*1983 (Licensing)*	*498 licenses*
Lotteries	*ALC*	*NBLC*	*NBLC*	*1976*	*8 games*
Horse Racing	*Private Operator*	*N.A.*	*MHRC & CPMA*	*1870*	*2 tracks*

NBLC - *Lotteries Commission of New Brunswick* **ALC** - *Atlantic Lottery Corporation*
MHRC - *Maritimes Harness Racing Council* **CPMA** - *Canadian Pari-Mutuel Agency*
*** There are no government or charity casinos in NB*

EMERGING ISSUES IN NEW BRUNSWICK

Future of the Atlantic Lottery Corporation:

The viability of the Atlantic Lottery Corporation without Nova Scotia. Nova Scotia announced its withdrawl in 1999, is of particular interest to New Brunswick because the Corporation's headquarters are located in Moncton. New Brunswick is also the largest remaining contributor and benefactor of the ALC.

VLT Policy Fallout:

The Coin Machine Owners Association and the province reached an agreement in principle in April 1998, but the negotiations are still ongoing. Any compensation or transitional terms may evolve into a public policy and legal debate.

Horse Racing:

As in the other Maritime Provinces, the stability of the harness racing industry is key. The success of ALC's marketing efforts on behalf of the Harness Racing Industry are of critical importance to the industry and a concern to the government of New Brunswick.

NOVA SCOTIA GAMBLING POLICY TIMELINE

1991 VLTs legalized in an attempt to replace the large number of illegal machines and divert the revenues to the province. The growing number of competing jurisdictions with legalized VLTs is another factor. Like PEI and New Brunswick VLTs are placed in accessible locations like corner stores and bowling alleys.

1993 Two reports on gambling, *Morris* and *Kimball*, are released. In response to public criticism about accessibility, the Government decides to move VLTs (except those on First Nations lands) to age-restricted, licensed locations. Police lobby to prevent a ban on VLTs since they predict the machines will simply operate illegally.

1995
- The initial First Nations gaming agreement is signed giving First Nations authority to set up their own Gaming Commissions and license and regulate on-reserve gambling.
- Two destination casinos with slot machines (still in 1999 the only casinos in Atlantic region) introduced to promote economic development. Total provincial revenue guaranteed by operator to be $25 million in each of first four years. Profits from Sydney casino to be distributed to eligible First Nations and registered provincial charities.
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Bingo	*Charity Halls*	*Charitable Groups (Commercial halls off)*	*NSAGA*	*1976 (licensing)*	*440 series lic. 200 single lic.*
Charity Tickets Lotteries & Raffles	*Licensee*	*Licensed Charitable Groups*	*NSAGA*	*1976 (licensing)*	*398 ticket series 568 ticket singles 101 break-open 176 games of chance*
Lotteries	*NSGC*	*NSGC (ALC still involved)*	*NSAGA*	*1976*	*13 types of games*
Horse Racing	*Private*	*N.A.*	*NSPA, CPMA MHRC*	*1940s*	*3 tracks 5 teletheatres*

NSAGA - *Alcohol and Gaming Authority* **NSGC** - *Gaming Commission* **MEG** - *Metropolitan Entertainment Group* **ALCHRC** - *Atlantic Lottery Corporation Harness Racing Corporation* **NSHRI** - *Nova Scotia Harness Racing Incorporated* **NSPA** - *Nova Scotia Parimutuel Association* **CPMA** - *Canadian Pari-Mutuel Agency* **MHRC** - *Maritime Harness Racing Commission* **ALC** - *Atlantic Lottery Corporation*

EMERGING ISSUES IN NOVA SCOTIA

Video Lottery Terminals:

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PRINCE EDWARD ISLAND GAMBLING POLICY TIMELINE

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- Private siteowners *and* machine owners receive 35% and 30% respectively of profits, with the remainder flowing to the province (for 1999 siteowners and machine owners each receive 20% of profits).

1996 VLTs capped at 681 machines. VLT profits comprise 40% of PEI lottery profits.

1997
- Difficulties faced by the harness racing industry in the Maritime provinces (an industry closely connected to the culture of PEI) cause the Maritime Premiers to request that ALC consider strategies for improving the industry's viability.
- VLT Plan introduced to remove VLTs from non-licensed establishments. In lead up to this decision, government received feedback from groups such as the Women's Institute and PEI Medical Society. As well, the city of Charlottetown conducts a plebiscite in 1997 on whether VLTs should be removed from the province of PEI; the vote supported removal.

1998 VLTs removed from non-licensed establishments. Compensation program in place for store owners.

EMERGING ISSUES IN PEI

- PEI and New Brunswick are the only provinces which use the private ownership model for VLTs. New Brunswick's planned departure from this model may encourage PEI to consider a similar policy.

- The Harness Racing Industry has enjoyed increased revenues as a result of the new ALC marketing program. However, the tracks continue to generate inadequate revenues and attendance. Ensuring the success of this industry is a priority of the government.

TABLE 9: PEI's REGULATORY ENVIRONMENT

TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY	REGULATED BY	FIRST YEAR	NUMBER (1998)
VLTs	*Private Operators*	*PEILC (via ALC)*	*ALC*	*1991*	*420 machines*
Bingo	*Licensed Charities or Religious Groups*	*Licensed Charities or Religious Groups*	*CS & AG*	*1984 (Licensing)*	*42 licenses*
Media Bingo	*Charitable Groups*	*Charitable Groups*	*CS & AG*	*1984 (Licensing)*	*2 licenses*
Raffles & Charity Events	*Licensed Charities*	*Licensed Charities or Religious Groups*	*CS & AG*	*1984 (Licensing)*	*859 licenses*
Lotteries	*ALC*	*PEILC (ALC operator)*	*ALC*	*1976*	*7 games*
Horse Racing	*Private Operator*	*N/A*	*MHRC, Federal Government*	*1848*	*2 tracks*

PEILC - *Lotteries Commission* **ALC** - *Atlantic Lottery Corporation*
CS & AG - *Community Services and Attorney General* **MHRC** - *Maritimes Harness Racing Council*

NEWFOUNDLAND GAMBLING POLICY TIMELINE

1991
- *The Lotteries Act* is passed. Non-profit raffle prize limits are increased to $1 million and up. The new raffles are intended to raise revenue for infrastructure for the 1999 Winter Games.
- VLTs are introduced, but unlike the other Atlantic provinces, they are limited to licensed establishments.

1992 Minister of Finance introduces a ban on advertising of ALC lottery jackpots.

1994 Newfoundland introduces measures to ensure that charities receive a 15% return from bingo events. The maximum bingo prize payout is reduced to $3,000 from $3,500. Bingo operations in St. John's and surrounding area are limited to one event per organization per week, while two are allowed in the remainder of the province. St. John's is unique because of the large number of participating non-profits who create more competition. Non-profits form umbrella bingo organizations to share costs and distribute profits evenly.

1996
- *Video Lottery Regulations* are passed. A policy is implemented to prevent the introduction of permanent casinos.
- The ban on ALC advertising of lottery jackpots is lifted.

EMERGING ISSUES IN NEWFOUNDLAND

- Enforcement of the 1994 guarantee of 15% return to charitable bingo operators continues to be an issue. The Department of Government Services and Lands may begin to close down bingo halls that do not provide this return.

- Newfoundland is considering introducing linked bingo within the next year. The government hopes this will help raise falling attendance and revenues to charities at traditional bingo. The logistics of the program, such as who will operate the linked bingo, have not been finalized.

TABLE 10: NEWFOUNDLAND's REGULATORY ENVIRONMENT

TYPE OF GAMBLING	OWNER/ OPERATOR	MANAGED BY	REGULATED BY	FIRST YEAR	NUMBER
VLTs	*ALC*	*Finance (ALC operator)*	*ALC*	*1991*	*2,462*
Charity Casino/ Chance Games	*Charities: Chance games at fairs*	*Licensed Charitable & Religious Groups*	*DGSL*	*1983 (Licensing)*	*30 casino lic. 220 chance lic.*
Bingo	*Licensed Charitable & Religious Groups*	*Licensed Charitable & Religious Groups*	*DGSL*	*1983 (Licensing)*	*575 licenses*
Sports Lottery Raffles/ Breakopen	*Licensed Charitable & Religious Groups*	*Licensed Charitable & Religious Groups*	*DGSL*	*1983 (Licensing)*	*12 sport licenses 685 raffle lic. 530 breakopen lic.*
Lotteries	*ALC*	*Finance (ALC operator)*	*ALC*	*1976*	*13 games*
Horse Racing	*Private Owned*	*N/A*	*CPMA, USTA*	*1963*	*1 track*

DGSL - *Department of Government Services Lands, Trace Practices and Licensing Division*
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